

Message Text

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PAGE 01 HELSIN 00070 131348Z
ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01
COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01 PRS-01
/101 W

-----131358Z 029821 /53

R 131320Z JAN 77
FM AMEMBASSY HELSINKI
TO SECSTATE WASHDC 0864
INFO AMEMBASSY COPENHAGEN
AMEMBASSY MOSCOW
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM

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E.O. 11652: N/A
TAGS: ENRG, FI
SUBJECT: EXTENT OF PRICE INCREASE OF SOVIET OIL IMPORTS TO FINLAND
UNCERTAIN

1. K.H. PENTTI, DEPUTY MANAGING DIRECTOR OF NESTE OY (STATE-OWNED OIL COMPANY ENJOYING MONOPOLY POSITION IN IMPORTATION OF ALL CRUDE OIL), TOLD EMBOFF THAT TWO-TIER PRICING OF OPEC OIL HAS MADE IT DIFFICULT FOR FINNS AND SOVIETS TO AGREE ON NEW PRICE LEVEL. SO FAR, NESTE AND SOVIET TRADE OFFICIALS HAVE AGREED THAT ONCE NEW PRICE IS DETERMINED FOR SOVIET OIL, IT WILL ALSO BE RETROACTIVE TO JAN 1. PENTTI FELT THAT THERE WOULD BE NO AGREEMENT WITH SOVIETS ON NEW OIL PRICE UNTIL AFTER MID-FEB. FINNS AND SOVIETS HAVE AGREED TO WAIT UNTIL IMPACT OF OPEC'S SPLIT DECISION CAN BE MEASURED ON WORLD MARKETS. PENTTI FELT CERTAIN THAT SOVIET OIL PRICE INCREASE FOR FINLAND WOULD BE LESS THAN TEN PERCENT.

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2. PENTTI ALSO COMMENTED THAT BALANCING ARRANGEMENTS IN FINNISH-SOVIET TRADE MAKES IT EASIER TO MANAGE OIL PRICE INCREASES AND THAT FINLAND WOULD HAVE SUFFERED MORE FROM PRICE INCREASE IF IT WERE MORE HEAVILY DEPENDENT ON OPEC OIL. BALANCING ARRANGEMENTS ENSURE THAT INCREASED FINNISH PAYMENTS WILL BE MADE IN FORM OF FINNISH GOODS RATHER THAN CURRENCY, AND FINNISH INDUSTRY IS CURRENTLY PRODUCING FAR UNDER

CAPACITY.

3. IN 1977 FINNISH-SOVIET TRADE PROTOCOL, FINLAND HAS
AGREED TO PURCHASE 6.5-7.5 MILLION TONS OF CRUDE OIL FROM
USSR AT WORLD PRICES. MORE THAN THREE-FIFTHS OF FINLAND'S
CRUDE IMPORTS ORIGINATE IN SOVIET UNION.
HOUSTON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, PETROLEUM, DIPLOMATIC DISCUSSIONS, IMPORT PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HELSIN00070
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770013-0410
Format: TEL
From: HELSINKI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770156/aaaabwqp.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b41905da-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Date: 02-Feb-2005 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3608701
Secure: OPEN
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Subject: EXTENT OF PRICE INCREASE OF SOVIET OIL IMPORTS TO FINLAND UNCERTAIN
TAGS: ENRG, FI, UR, (PENTTI, K H)
To: STATE
Type: TE
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